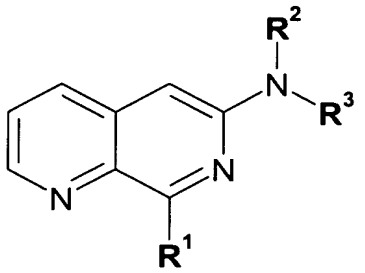
Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

Claim 1. (Currently amended) A compound of formula I



I

in free or salt form, where

R^1 is a monovalent aromatic group having up to 10 carbon atoms; and

R^2 and R^3 together with the nitrogen atom to which they are attached denote a heterocyclic group having up to 10 ring atoms and having 1 to 4 hetero atoms in the ring system.

Claim 2. (Currently amended) A compound according to claim 1, in which

R^1 is phenyl substituted by one or two substituents selected from cyano, halogen, carboxy or C_1-C_4-haloalkoxy, and optionally by C_1-C_4-alkyl or C_1-C_4-alkoxy, or R^1 is phenyl substituted by C_1-C_4-alkoxy; and

R^2 and R^3 together with the nitrogen atom to which they are attached denote a heterocyclic group having up to 6 ring atoms and one or two hetero atoms in the ring.

Claim 3. (Currently amended) A compound according to claim 1, in which

R^1 is phenyl substituted by one or two substituents selected from cyano, halogen, carboxy or C_1-C_4-haloalkoxy meta to the indicated naphthyridine ring and optionally by C_1-C_4-alkyl or C_1-C_4-alkoxy ortho to the indicated naphthyridine ring, or R^1 is phenyl substituted by C_1-C_4-alkoxy meta to the indicated naphthyridine ring; and

R^2 and R^3 together with the nitrogen atom to which they are attached denote a heterocyclyl group having up to 6 ring atoms and one or two nitrogen atoms, or one nitrogen atom and one oxygen atom, in the ring, optionally substituted by hydroxy, carboxy, 5-membered O-heterocyclylcarbonyl, aminocarbonyl, C_1-C_4-alkoxycarbonyl, C_1-C_4-alkylsulfonyl or C_1-C_4-alkyl optionally substituted by hydroxy, cyano, carboxy or C_1-C_4-alkoxycarbonyl.

Claim 4. (Currently amended) A compound according to claim 1 in which

R^1 is phenyl optionally substituted by one, two or three substituents selected from the group consisting of cyano, C_1-C_8-alkyl, C_1-C_8-alkylthio, -SO-C_1-C_8-alkyl, and phenyl fused with a

heterocyclic ring having 3 to 8 ring atoms of which up to 4 can be carbon atoms and up to 4 can be hetero atoms; and

R^2 and R^3 together with the nitrogen atom to which they are attached denote a heterocyclic group having up to 6 ring atoms and one or two hetero atoms in the ring optionally substituted by carboxy, carboxy-C_1-C_8-alkoxy or C_1-C_8-alkoxycarbonyl-C_1-C_8-alkoxy, said heterocyclic group also optionally being substituted by C_1-C_8-alkyl or C_1-C_8-alkoxy.

Claim 5. (Currently amended) A compound according to claim 4, in which

R^1 is phenyl optionally substituted by one, two or three substituents selected from the group consisting of cyano, C_1-C_4-alkyl, C_1-C_4-alkylthio, -SO-C_1-C_4-alkyl, and phenyl fused with a heterocyclic ring having 5 or 6 ring atoms of which up to 4 can be carbon atoms and up to 2 can be hetero atoms; and

R^2 and R^3 together with the nitrogen atom to which they are attached denote a heterocyclic group having up to 6 ring atoms and one or two nitrogen atoms in the ring optionally substituted by carboxy, carboxy- C_1-C_4-alkoxy or C_1-C_4-alkoxycarbonyl-C_1-C_4-alkoxy, said heterocyclic group also optionally being substituted by C_1-C_4-alkyl.

Claim 6. (Original) A compound according to claim 1, which is

3-[6-(3-hydroxy-pyrrolidin-1-yl)-[1,7]naphthyridin-8-yl]-benzonitrile;

3-{6-[4-(2-cyano-ethyl)-piperazin-1-yl]-[1,7]naphthyridin-8-yl}-benzonitrile;

1-[8-(3-cyano-phenyl)-[1,7]naphthyridin-6-yl]-piperidine-4-carboxylic acid, lithium salt; or

3-(6-piperazin-1-yl-[1,7]naphthyridin-8-yl)-benzonitrile;

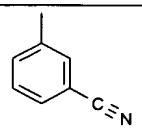
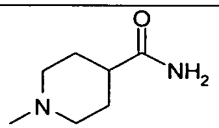
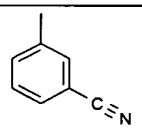
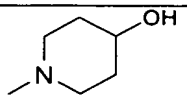
1-[8-(3-fluoro-phenyl)-[1,7]naphthyridin-6-yl]-piperidine-4-carboxylic acid ethyl ester;

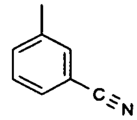
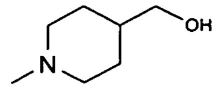
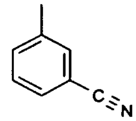
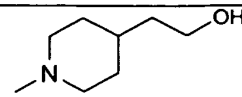
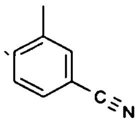
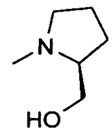
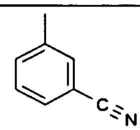
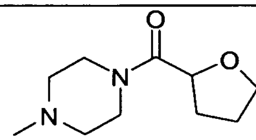
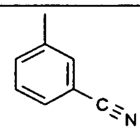
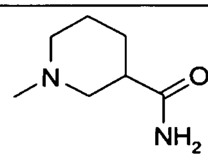
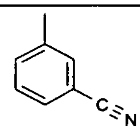
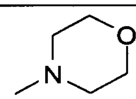
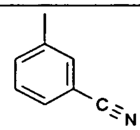
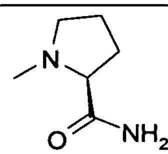
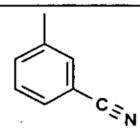
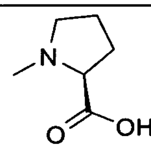
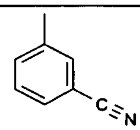
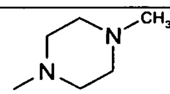
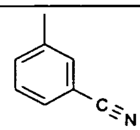
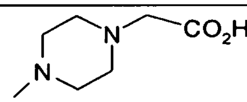
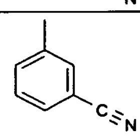
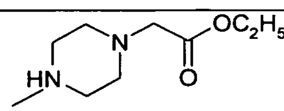
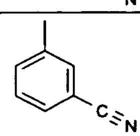
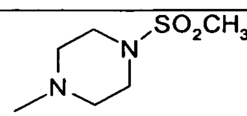
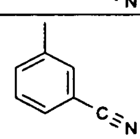
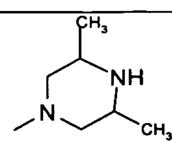
sodium 1-[8-(3-fluoro-phenyl)-[1,7]naphthyridin-6-yl]-piperidine-4-carboxylate;

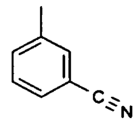
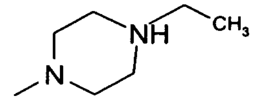
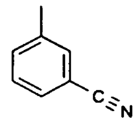
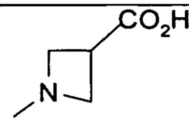
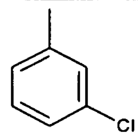
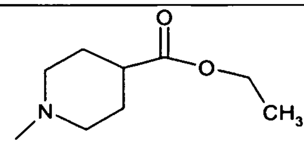
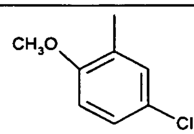
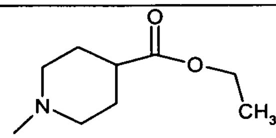
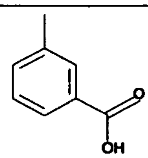
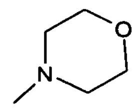
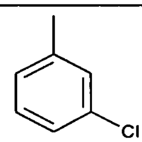
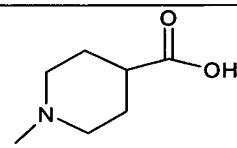
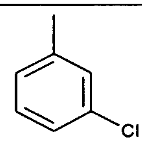
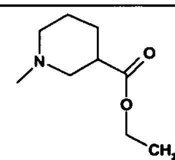
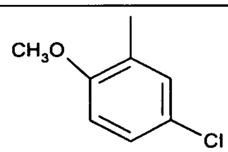
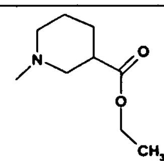
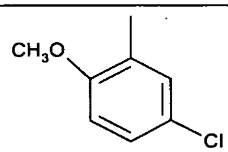
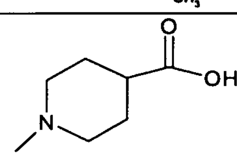
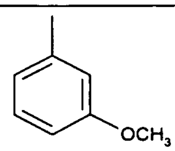
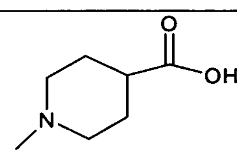
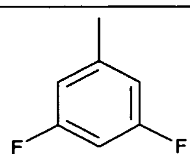
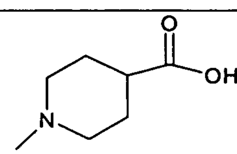
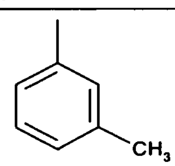
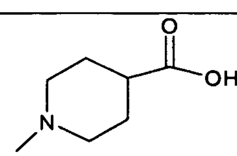
1-[8-(5-fluoro-2-methoxy-phenyl)-[1,7]naphthyridin-6-yl]-piperidine-4-carboxylic acid ethyl ester; or

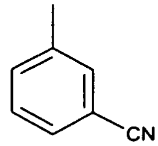
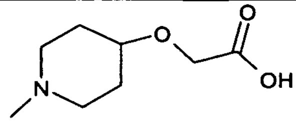
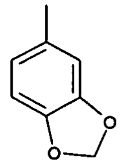
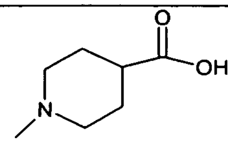
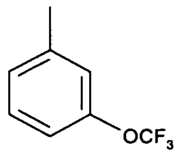
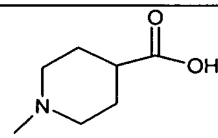
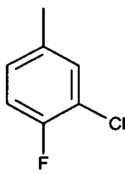
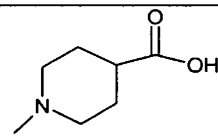
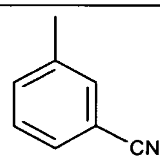
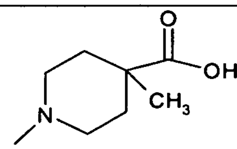
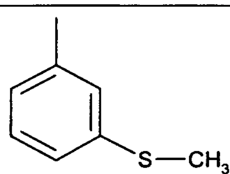
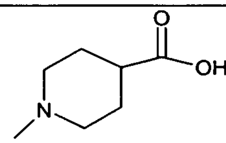
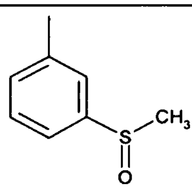
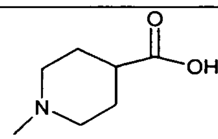
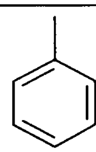
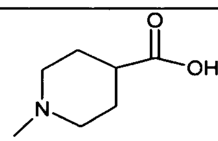
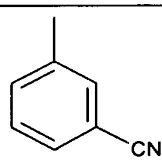
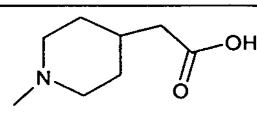
potassium 1-[8-(5-fluoro-2-methoxy-phenyl)-[1,7]naphthyridin-6-yl]-piperidine-4-carboxylate.

Claim 7. (Original) A compound according to claim 1, wherein R^1 and -NR^2R^3 are as shown in the following table:

R^1	NR^2R^3
	
	

Claims 8-14. (Canceled)

Claim 15. (New) A pharmaceutical composition comprising a compound according to claim 1, optionally together with a pharmaceutically acceptable diluent or carrier.

Claim 16. (New) A pharmaceutical composition comprising a compound according to claim 6, optionally together with a pharmaceutically acceptable diluent or carrier.

Claim 17. (New) A pharmaceutical composition comprising a compound according to claim 7, optionally together with a pharmaceutically acceptable diluent or carrier.

Claim 18. (New) A pharmaceutical composition comprising a compound of formula I as defined in claim 1 in combination with another drug substance which is an anti-inflammatory, a bronchodilator or an antihistamine.

Claim 19. (New) A method of treating a condition that is mediated by PDE4 in a subject in need of such treatment, which comprises administering to said subject an effective amount of a compound of formula I as defined in claim 1 in free form or in the form of a pharmaceutically acceptable salt.

Claim 20. (New) A method of treating a condition that is mediated by PDE4 in a subject in need of such treatment, which comprises administering to said subject an effective amount of a compound of formula I as defined in claim 6 in free form or in the form of a pharmaceutically acceptable salt.

Claim 21. (New) A method of treating a condition that is mediated by PDE4 in a subject in need of such treatment, which comprises administering to said subject an effective amount of a compound of formula I as defined in claim 7 in free form or in the form of a pharmaceutically acceptable salt.

Claim 22. (New) A method of treating an inflammatory disease in a subject in need of such treatment, which comprises administering to said subject an effective amount of a compound of formula I as defined in claim 1 in free form or in the form of a pharmaceutically acceptable salt.

Claim 23. (New) A method of treating an obstructive or inflammatory airways disease in a subject in need of such treatment, which comprises administering to said subject an effective amount of a compound of formula I as defined in claim 1 in free form or in the form of a pharmaceutically acceptable salt.

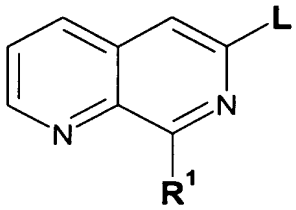
Claim 24. (New) A method of treating an obstructive or inflammatory airways disease in a subject in need of such treatment, which comprises administering to said subject an effective amount of a compound of formula I as defined in claim 6 in free form or in the form of a pharmaceutically acceptable salt.

Claim 25. (New) A method of treating an obstructive or inflammatory airways disease in a subject in need of such treatment, which comprises administering to said subject an effective

amount of a compound of formula I as defined in claim 7 in free form or in the form of a pharmaceutically acceptable salt.

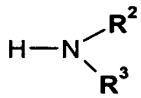
Claim 26. (New) A process for the preparation of compounds of formula I in free or salt form which comprises

(i) (A) reacting a compound of formula



II

optionally in protected form, where R^1 is as hereinbefore defined and L is a leaving atom or group, for example halogen or an aliphatic or aromatic sulfonyloxy group such as trifluoromethylsulfonyloxy, with a compound of formula



III

optionally in protected form, where R^2 and R^3 are as hereinbefore defined, followed by deprotection if required;

(B) reacting a compound of formula I, where R^2 and R^3 together with the attached nitrogen atom denote a heterocyclyl group substituted by a C_1-C_8-alkoxycarbonyl group, to convert the alkoxycarbonyl group into a carboxy;

(C) for the preparation of compounds of formula I where R^2 and R^3 together with the attached nitrogen atom denote a heterocyclyl group substituted by carboxy-C_1-C_8-alkoxy, hydrolysing a compound of formula I where R^2 and R^3 together with the attached nitrogen atom denote a heterocyclyl group substituted by C_1-C_8-alkoxycarbonyl-C_1-C_8-alkoxy; or

(D) for the preparation of compounds of formula I when R^1 is phenyl substituted by -SO-C_1-C_8-alkyl, oxidising a compound of formula I where R^1 is phenyl substituted by C_1-C_8-alkylthio; and

(ii) recovering the product in free or salt form.